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# NEW OBJECTIVES, ROLE AND PLACE OF THE UNITED NATIONS CENTRE FOR HUMAN SETTLEMENTS (HABITAT) WITHIN THE UNITED NATIONS SYSTEM[1]

*Note by the Secretariat*

The report annexed to this note had been submitted to the third session of the Preparatory Committee for the United Nations Conference on Human Settlements (Habitat II) pursuant to paragraph 9 of resolution 14/19 of the Commission on Human Settlements. It was to be taken up by the Preparatory Committee during its consideration of Section F of the Global Plan of Action (Implementation and follow-up of the Global Plan of Action). However, since the Committee did not have time to consider that Section and instead referred it to the Conference, the attached document is, similarly, referred to the Conference.

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# NEW OBJECTIVES, ROLE AND PLACE OF THE UNITED NATIONS CENTRE FOR HUMAN SETTLEMENTS (HABITAT) WITHIN THE UNITED NATIONS SYSTEM

*Report of the Executive Director*


## SUMMARY

The present report is submitted pursuant to Commission on Human Settlements resolution 14/19 on the "Role and place of the United Nations Centre for Human Settlements (Habitat) in the United Nations System", by which the Commission requested the Executive Director to submit to it at its fifteenth session a report on "New objectives, role and place of the United Nations Centre for Human Settlements (Habitat) within the United Nations system", including the question of separate senior management arrangements for the Centre. The resolution was adopted following the Commission's consideration of issues arising from the proposal of the Secretary-General of the United Nations, submitted to the General Assembly in the context of the restructuring of the Secretariat, to abolish the Under-Secretary-General post of Executive Director of the United Nations Centre for Human Settlements (Habitat) and place the Centre under common direction with the United Nations Environment Programme.

In responding to this request, the report first brings the Commission up-to-date on developments in regard to the issue of "separate senior management arrangements for the Centre" and then proceeds to address the subject of "New objectives, role and place of the United Nations Centre for Human Settlements (Habitat) within the United Nations system". The exploration of these matters, from the point of view of the secretariat, focuses on proposed new objectives, functions and substantive priorities of the Centre in the post-Habitat II period, among other issues. As the United Nations Conference on Human Settlements (Habitat II) has been requested by the General Assembly to make recommendations on ways in which the role of the United Nations and existing international institutional arrangements for international cooperation and coordination in the field of human settlements can be strengthened, the Commission's views on these matters will contribute to the work of the Preparatory Committee for the Habitat II Conference.

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SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION: UNITED NATIONS CONFERENCE ON HUMAN SETTLEMENTS (HABITAT II)


## INTRODUCTION

1. At its fourteenth session, on 5 May 1993, the Commission on Human Settlements adopted resolution 14/19 entitled "Role and place of the United Nations Centre for Human Settlements (Habitat) in the United Nations system". The resolution was adopted following the Commission's consideration of issues arising from the proposal of the Secretary-General of the United Nations, submitted to the General Assembly in the context of the restructuring of the Secretariat, to abolish the Under-Secretary-General post of Executive Director of the United Nations Centre for Human Settlements (Habitat) and place the Centre under common direction with the United Nations Environment Programme.

2. In this connection, the Commission had before it the draft resolution adopted by the Fifth Committee of the General Assembly at its 66th meeting on 21 April 1993[1] by which the Assembly would decide to defer action on the Secretary-General's proposal and request him to "reconsider it and to report in the context of the programme budget for the biennium 1994-1995 on future Secretariat support arrangements for the United Nations Environment Programme and the United Nations Centre for Human Settlements (Habitat), including the question of separate senior management arrangements for the Centre, taking into account the views and recommendations of the Commission on Human Settlements, the Governing Council of the United Nations Environment Programme and the Economic and Social Council and the views expressed by Member States".

3. In its resolution 14/19, the Commission, *inter alia*:

(a) Confirmed the importance of the United Nations Centre for Human Settlements (Habitat) as a focal point for human settlements action and the coordination of activities within the United Nations system, as provided for in General Assembly resolution 32/162;

(b) Expressed its firm conviction that the current and projected state of human settlements development necessitates and justifies the continued existence of a separate and distinct United Nations entity at the Secretariat level to pursue work, for the benefit of Member States, in this critical area of economic and social development;

(c) Welcomed section III of General Assembly resolution 32/162, which provides for the appointment of an Executive Director of the United Nations Centre for Human Settlements (Habitat), and strongly recommended that the United Nations Environment Programme and the United Nations Centre for Human Settlements (Habitat) be kept under distinct senior management in accordance with the specific nature and activities of the two bodies;

(d) Noted with appreciation the recommendation of the Fifth Committee, as contained in the above-mentioned

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[1] A/C.5/47/L.36: subsequently adopted by the General Assembly at its 102nd plenary meeting, on 6 May 1993, as resolution 47/212B

draft resolution [2] regarding the request to the Secretary-General to present, in accordance with the principles and guidelines contained in General Assembly resolution 46/232 of 2 March 1992, adequate proposals in the context of the proposed programme budget for the biennium 1994-1995 to reflect the status of Nairobi.

4. The Commission then requested the Executive Director of the Centre to submit to it at its fifteenth session a report on "New objectives, role and place of the United Nations Centre for Human Settlements (Habitat) within the United Nations system" for further transmission, with its recommendation, including the question of separate senior management arrangements for the Centre, to the United Nations Conference on Human Settlements (Habitat II), through its Preparatory Committee. It is recalled in this connection that the Habitat II Conference has been requested by the General Assembly to make recommendations on ways in which the role of the United Nations and existing institutional arrangements for international cooperation and coordination in human settlements - the Commission and the Centre as its secretariat - can be strengthened.

5. The present report is submitted pursuant to the above request. In responding to the request, it is proposed, in the interest of clarity of presentation to, first, bring the Commission up-to-date on subsequent developments with respect to the issue of "separate senior management arrangements for the Centre" and, thereafter, to address the issue of "New objectives, role and place of the United Nations Centre for Human Settlements (Habitat) within the United Nations system".

## I. ROLE AND PLACE OF THE UNITED NATIONS CENTRE FOR HUMAN SETTLEMENTS (HABITAT): ACTIONS AND DECISIONS OF THE GENERAL ASSEMBLY SINCE THE FOURTEENTH SESSION OF THE COMMISSION ON HUMAN SETTLEMENTS

6. The report of the Commission on Human Settlements on the work of its fourteenth session, including its resolution 14/19, was considered by the General Assembly, at its forty-eighth session, in 1993. In its resolution 48/176 of 21 December 1993 entitled "Human settlements", and adopted on the recommendation of the Second (Economic and Financial) Committee, the General Assembly, *inter alia*, endorsed the report of the Commission on Human Settlements on its fourteenth session, and requested the Secretary-General:

(a) To ensure that the United Nations Environment Programme (UNEP) and the United Nations Centre for Human Settlements (Habitat) are kept under distinct and separate management and direction, in accordance with their specific mandates and activities;

(b) To give full consideration to the views expressed by Member States regarding the leadership of the United Nations Centre for Human Settlements (Habitat), in the context of ensuring high-level leadership to the Centre through separate and distinct management and direction;

(c) To ensure that, in the restructuring of the United Nations system, the Centre is maintained as the global focal point for human settlements and that its institutional capabilities are strengthened at its headquarters, maximizing the effectiveness of national and regional operations.

7. The General Assembly also invited the Secretary-General to submit to it at its forty-ninth session "a report on the implementation of the present resolution and on the progress made in adequate preparations for the United Nations Conference on Human Settlements (Habitat II)".

8. The issue of UNCHS (Habitat)'s senior management structure also came up in the Fifth (Administrative and Budgetary) Committee of the General Assembly, during the forty-eight session, in the context of two other agenda items: Review of the administrative and financial functioning of the United Nations, and Programme budget for the biennium 1994-1995. The Committee had before it in this connection a report of the Secretary-General on "High-level posts" in which the Secretary-General, responding to the request contained in resolution 47/212B (see para 2 above) and taking into account the views expressed in the relevant intergovernmental forums, particularly resolution 14/19 of the Commission on Human Settlements, had outlined plans for a distinct senior management structure for UNCHS (Habitat) under common direction with UNEP [3]. Two resolutions were adopted by the General Assembly in this connection, on the recommendation of the Fifth Committee. In resolution 48/218 of 23 December 1993, on Review of the efficiency of the administrative and financial functioning of the United Nations, the General Assembly reiterated its requests relating to the United Nations Centre for Human Settlements (Habitat) as contained in its resolution 47/212B and decided to maintain the current approved senior management arrangement for the Centre. In a second resolution (resolution 48/228), entitled "Questions relating

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[2] A/C.5/47/L.36, operative para 12.

[3] A/C.5/48/9, paras 24-27

to the programme budget for the biennium 1994-1995", the General Assembly accepted the proposal of the Secretary-General on the staffing level for the Centre for the biennium which included the post of Executive Director at the Under-Secretary-General level.

9. At its forty-ninth session, in 1994, the General Assembly received the report of the Secretary-General called for in its resolution 48/176 (see paras 6 and 7 above). In this report (A/49/460), presented to the Second Committee, the Secretary-General states that he fully shared the views of Member States concerning the important role of UNCHS (Habitat) in fostering the international community's development agenda in the area of human settlements as well as the concern to maintain, and indeed strengthen, the activities and institutional identity of the Centre. The Secretary-General goes on in the report to outline the various steps which he had taken since the adoption of the resolution to implement its provisions, especially with respect to strengthening the Centre's management structure and preserving its institutional identity. Notable among such steps was the appointment, with effect from 15 February 1994, of an Assistant Secretary-General to serve as the senior manager of UNCHS (Habitat) and Secretary-General of the United Nations Conference on Human Settlements (Habitat II). The objective of this appointment was "to assure effective management and leadership of the Centre as a distinct Programme, and to provide the necessary leadership for the preparatory work of the Conference".

10. The Secretary-General then referred to his report on the restructuring of the United Nations Secretariat in the economic and social sectors (A/49/336, paras. 164-170), in which he had noted the potential gain in efficiency and synergy that could be achieved through measures aimed at enhancing the coherence in the management of UNEP and UNCHS (Habitat), while respecting fully the institutional and operational identity of these distinct Programmes. It was in this context, the Secretary-General pointed out, that proposals were being drawn up for the establishment of a common administration and support service for the United Nations entities in Nairobi. Such a common service, which was to be the subject of a separate submission to the General Assembly, would seek to strengthen the capacity of both UNEP and UNCHS (Habitat) in the delivery of their mandated programmes of activities, by eliminating duplication and unnecessary fragmentation, particularly in areas such as staff services, conference services, finance and other general support services, including contracts and procurement, travel, library and information facilities.[4]

11. The Second Committee recommended that the General Assembly take note of the report of the Secretary-General on the implementation of General Assembly resolution 48/176.

12. What emerges clearly from the foregoing review of developments since the adoption of Commission resolution 14/19 is the strong desire by Member States, shared by the Secretary-General, to maintain and indeed enhance the role of UNCHS (Habitat) as the global focal point for human settlements activities and to strengthen its capabilities as a Programme to meet the serious human settlements challenges of the coming years. What these challenges are and how the Centre can prepare for them provide the answer to the question that is anticipated by the Commission's request in resolution 14/19 for a report on new objectives, role and place of the United Nations Centre for Human Settlements (Habitat) in the United Nations system. An exploration of these matters now follows.

## II. NEW OBJECTIVES, ROLE AND PLACE OF THE UNITED NATIONS CENTRE FOR HUMAN SETTLEMENTS (HABITAT) IN THE UNITED NATIONS SYSTEM IN THE POST-HABITAT II PERIOD

### A. *Background*

13. As the century draws to a close, the thrust, focus and content of international and national development strategies are coming under close re-examination. This is not because the basic goals have changed radically: peace, economic growth, environmental protection, poverty reduction and human rights continue to be fundamental objectives of the internationalcommunity. What has changed is the context in which these objectives have to be achieved. This changing global political, economic and social environment is in part a result of unforeseen and transcendental changes on the world political stage, such as the end of the Cold War. In part it is the result of secular trends, long in the making, whose full impact are being felt now and which will condition development policy-making for decades to come. In effect, the "rules of the game" are being changed.

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[4] For the convenience of the Commission, the full text of the report of the Secretary General on the implementation of General Assembly resolution 48/176 of 21 December 1993 (A/49/640) is attached as an annex.

14. Among these secular trends are:

(a) The globalization and integration of the international economy, greatly aided by the on-going revolution in informatics and communications technology, which is leading to a coincidence in approaches to macro-economic policy in all countries for the first time in the period since the Second World War.

(b) Democratization and expansion of participation in many countries, which is transforming the political landscape at both the national and local levels. It is also expanding the number of actors who seek actively to influence the policy-making and resource-allocation processes and increase the pressure for social and economic improvements, especially at the local level;

(c) The gradual reduction of the public sector from a primary force in the national economy to a subsidiary or enabling role, with economic development becoming more and more a primary responsibility of private economic agents;

(d) The ecological vulnerability of the planet and the shrinking of the world's natural resource base, which have led to a global consensus on more environmentally-sustainable approaches to development and economic growth world-wide;

(e) Rapid urbanization over the past two decades, a process which is continuing in most developing regions, and greatly expanding the political, economic, social and environmental role of cities and towns, transforming both urban and rural areas and the relations between them, as well as generating escalating demands for infrastructure, services, housing, employment and income-earning opportunities.

All the above explain in great part the continuum of global conferences hosted by the United Nations during this decade, beginning with the United Nations Conference on Environment and Development (UNCED) and ending with Habitat II, whose principal aim is to forge a new global consensus on an approach to international and national development, consistent with global trends and the changing international political environment.

15. Both the emphasis on human settlements in Agenda 21 as one of its eight principal social and economic umbrella programmes and the decision of the General Assembly to hold the second United Nations Conference on Human Settlements (Habitat II) in Istanbul in 1996 confirm that human settlements and the need for their accelerated development, as a consequence of overall population growth and urbanization, is becoming a high-priority global challenge and increasingly the focus of attention of national and international policy-makers in the pursuit of sustainable development. In the coming years, the emphasis of global and national development strategies will, as the proportion of urban populations grows, inevitably begin to shift to cities and towns and to policies and programmes to respond to pressing political, social, economic and environmental issues produced by urbanization, a process which is transforming the respective roles of urban and rural areas in social and economic development. Increasingly, over the coming decades, sectoral programmes and policies, as derived from global and national development strategies, will have to be implemented at the local level. Moreover, current and projected trends provide ample evidence that future human settlements policy will influence - and will be influenced by - progress on other global development issues: conditions of trade and economic interdependence; natural-resource consumption patterns; population growth and distribution; resource mobilization; poverty alleviation; employment generation; gender equity; governance; human rights; democratization; technology transfer; environmental protection; and international cooperation. All this underscores the necessity of securing a central place for human settlements in the global agenda for development and as a strategic and critical cross-cutting component of the development process.

## B. *UNCHS (Habitat)'s Future Work: Objectives and Focus*

### 1. *The Centre's mandate: the legislative foundation for future activities*

16. In its resolution 32/162 of 19 December 1977, the General Assembly provided the Commission and the Centre with a sweeping mandate sufficient enough in scope to allow both to promote the integral concept of human settlements and a comprehensive approach to human settlements problems in all countries as an instrument of socio-economic development. This mandate reflected the wide-ranging recommendations for national action of Habitat: United Nations Conference on Human Settlements, which were endorsed by the General Assembly.

17. Although the General Assembly, in its resolution 32/162, recognized that many international organizations carry out activities related to human settlements development, only the Centre, within the United Nations system, through the plan of action of the Vancouver Conference, received the sole mandate in such critical areas as spatial and physical planning, land, finance, institutional development, management, housing, services and infrastructure, among others, which are the key to developing and implementing policies and programmes for sustainable human settlements development. Having been given the responsibilities in these core areas, it places the Centre in a very advantageous position, in fact a position of comparative advantage, *vis-à-vis* other entities of the United Nations system, to take the lead in assisting Member States in devising integrated and comprehensive approaches to human settlements development, and to coordinate,

and integrate, these with the sectoral activities of other United Nations entities related to human settlements.

18. This has taken on a greater relevance in light of past and current urbanization trends and the need to respond to them. Looking ahead, and with an eye towards the future work of the Centre, it is therefore not a matter of expanding and changing the mandate provided by resolution 32/162, given its scope, but rather one of prioritization and intensification of work, of setting new accents and of placing greater emphasis on some mandated responsibilities in the light of changing global human settlements conditions and trends.

(a) *Building on past achievements*

19. The Centre's past and current activities in carrying out the human settlements programme of the international community and in assisting Member States in their human settlements development efforts, and in the implementation of such global policy instruments as the Global Strategy for Shelter to the Year 2000, present a laudable record of work and achievements. Certainly the Centre has become the effective secretariat that the General Assembly called for in its resolution 32/162 of 1977. Over the past two decades, UNCHS (Habitat), as a consequence of its research and operational activities, has become a recognized depository of knowledge and experience within the United Nations in the field of human settlements development. Its technical cooperation activities have generated the greatest ratio of follow-up investments of any of the sectors of United Nations Development Programme (UNDP) assistance, making it one of the most highly-leveraged departments of the United Nations system. All of the preceding place the Centre, when it comes to leading the future human settlements development efforts of the United Nations, in a further position of comparative advantage *vis-à-vis* other departments, units and agencies, an advantage on which the Centre must build and which must be taken into full account in discussions surrounding its future new role, objectives and place within the United Nations system.

(b) *The need for a strategic focus*

20. However, a review of the Centre's past work also reveals a number of issues which must be resolved and which must be placed in the category of "lessons learned", to be addressed by the international community when it meets at the City Summit in Istanbul in January 1996. The principal one is the need for the Centre to focus on well-defined objectives in its work, concentrating on those strategic issues which will be fundamental, and not peripheral, to achieving sustainable human settlements development over the next two decades, and through which the Centre can also make a substantial contribution to broader development objectives of the international community in the political, social, economic, humanitarian and environmental fields. This is also foreseen in General Assembly resolution 47/180, by which the General Assembly called for the convening of a second United Nations Conference on Human Settlements. Such a strategic focus, followed through by a work programme consisting of a limited number of mutually-reinforcing substantive areas, would also have the additional benefit of concentrating the resources of the human settlements programme on a number of core tasks, rather than dissipating them in a myriad of issues of lesser and greater magnitude in terms of impact.

(c) *Linking human settlements development with international development strategies and policies*

21. The selection of these core substantive areas should be such that they do not only provide the means through which to advance the strategic objectives of the Centre, but also, by doing so, support other key sectoral development activities of the international community and national governments. In other words, the work of the Centre should concentrate on those matters within its mandate which have the greatest beneficial impact and catalytic effect on the wider development process. The emphasis here should be on linkage, not on work that is carried on in isolation, informed by an understanding of the impact of the Centre's work on other sectoral areas of development policy. This would also position the Centre more favourably to shape the development priorities of the day. It would also make it easier for the Centre to enter into a more productive dialogue with other actors who are shaping the development agenda of the twenty-first Century. This would also be in line with the spirit and the letter of General Assembly resolution 32/162, which placed great emphasis on the Centre's cooperation and coordination with all other entities and actors whose work impacts on human settlements development.

(d) *Future objectives*

(i) Responding to Urbanization.

22. The themes selected for the second United Nations Conference on Human Settlements (Habitat II) already give a clear indication of what the objectives of the Centre's work should be in the post-Habitat II period. Clearly the most important of these is provided by the Conference's theme of sustainable human settlements development in an urbanizing world. As urbanization is one of the afore-mentioned global trends which will make a major contribution to conditioning

the direction and content of development policies in most countries in the coming decades, it provides a strategic entry point for UNCHS (Habitat) and to make a substantial contribution to the development agenda of the international community. Such a step is the more logical as UNCHS (Habitat) is again in a position of comparative advantage within the United Nations system as a consequence of its past experience and work, to support national governments and local authorities in shaping and implementing policy and programme responses to world urbanization processes.

(ii) Addressing shelter needs.

23. The second objective should, again with reference to the themes of the Habitat II Conference, be housing and housing development, but this second objective should be more closely integrated with the first. There are a number of compelling reasons for this, the most important of which is that, given current and projected urbanization trends in most countries, shelter needs are becoming most critical in rapidly-growing settlements because of escalating demands coming on top of an accumulated backlog in both shelter construction and related basic services. It also allows the shelter component to be integrated in a broader settlements development programme in a manner which is mutually supportive. This in the end may result in more successful shelter programmes.

(e) *UNCHS (Habitat)'s future work: the rural dimension*

24. Giving priority to the preceding objectives would not, of course, mean abandoning rural settlements. The national scope of shelter strategies derived from the enabling principles of the Global Strategy for Shelter in the Year 2000 would ensure an impact in the rural areas as well. However, as experience has by now shown, accelerated shelter construction and improvement cannot be divorced from its broader economic, social and spatial development context. The lack of a broad rural development mandate for UNCHS (Habitat), and the fact that several United Nations agencies are heavily involved in that field, makes it difficult for the Centre, as experience has also shown over the past decades, to have a direct influence on rural housing construction at a village level. While urban housing improvement is best achieved within a comprehensive urban development strategy, improved rural housing mainly depends on an integrated approach to rural development. In the latter, UNCHS (Habitat), apart from an advisory and technical support role at the level of national housing policy, can only have a presence within the framework of policies to develop market towns and rural service centres. This, in any case is an urban development function, albeit a function which is directly supportive of the modernization of the rural economy, and one which the Centre has not taken advantage of in the past to the degree that is desirable. A future goal of UNCHS (Habitat) would, therefore, be to strengthen the network of small and medium-sized settlements in rural regions in order to provide attractive economic and employment opportunities and ease migratory pressures on large metropolises. Such programmes can provide a vital pillar of support for sustainable agricultural development in future.

(f) *UNCHS (Habitat)'s future role*

25. UNCHS (Habitat)'s future role, in effect, would be to take the lead in international efforts to support governments and local authorities manage the urban transition from village to town, from city to urban agglomeration. This would also allow for a more effective integration of future responsibilities under the two themes - shelter and urbanization - as they will emerge out of the Habitat II Conference. Finally, it would provide for greater visibility for the Centre, as well as a more defined and focused identity *vis-à-vis* governments, the external assistance community and other entities of the United Nations system. Such a clear identity and focus would not only concentrate the scarce human and financial resources of the Centre and allow, both externally and internally, for cohesiveness in approach. It will also make it easier for UNCHS (Habitat) to reach out to potential clients and partners as the preeminent centre of expertise in a more recognized sector of development. Such a clear focus could also mobilize greater donor support. The new objectives of the Centre's work, as described, are not new. What would be new is the heightened degree of explicit emphasis on them, especially in regard to urbanization. As the mandate of the human settlements programme is so comprehensive, it makes it incumbent on the Centre to re-order its priorities and to re-focus its work periodically to reflect changing global human settlements conditions and trends and emerging human settlements issues critical to achieving the goals of the development agenda of the international community. Over the next twenty years, the critical issue which must serve to re-focus the work of the Centre is the comprehensive response to urbanization for the reasons already cited. This would only seem natural and reasonable and in line with the spirit of the Vancouver Conference and the letter of General Assembly resolution 32/162. If settlements, as a consequence of urbanization processes, will become more and more the focus and locus of development activities of both sectoral national ministries and the sectoral programmes of external assistance agencies, UNCHS (Habitat) will be called upon to provide the expertise and advice to integrate these into comprehensive development responses at the local level. If it is unable to do so, the Centre will find itself increasingly marginalized in the development process, as well as in breach of its own mandate.

### C. *Future functions of the centre*

26. It is clear from the above discussion that, apart from its important function as the secretariat to the Commission on Human Settlements through which it will continue to support the international policy responsibilities of the Commission, the Centre will have to concentrate on functions which are most vital to achieving its strategic objectives. In some cases these would be new functions, in others an expansion of existing ones, by giving them greater importance and priority. These must include:

(a) Policy advice at the national and international levels on how to develop policy and programme responses to urbanization, and, in particular, on how to formulate and implement integrated settlements development policies covering both rural and urban areas within the framework of broader macro-development strategies. Reflecting the Centre's established expertise, such policy advice would address the spatial, physical, social, institutional, management and environmental dimensions of settlements development in a comprehensive fashion, drawing strength from, and integrating, the substantive areas of its future work programme. In a departure from past practice, such policy prescriptions would include an increased attention on political and economic aspects which shape human settlements development in order to give them greater weight and credibility.

(b) Operational activities focusing on capacity-building in order to enhance the capabilities of national and local authorities to identify and analyse critical human settlements development issues; to formulate and effectively implement policies and programmes which respond to them; and to efficiently manage the process of settlements growth and development at the local level. Such capacity-building should extend to non-public actors as well, especially non-governmental organizations (NGOs); community and womens groups, and the private sector, in order to strengthen the capabilities of all those political, social and economic institutions and organizations of civil society active in the area of human settlements management and development.

(c) Awareness-building and information activities to ensure that human settlements development issues in general, and concerted policy and programme responses to urbanization in particular, are brought into the mainstream of the development objectives of the international community and national governments. One aim of these activities would be to create greater awareness of the political, economic, social and environmental implications of a rapidly urbanizing planet and the need to respond to these. Others would be to build a global constituency for the work of the Centre, to reach potential partners in the public, private, community and voluntary sectors, and to build networks among them, as well with the Centre. The ultimate institutional goal of such awareness and information activities would be to strengthen the base of political and financial support for the work of the Centre.

(d) Coordination and collaboration with multilateral and bilateral partners and joint programming, leading to increased and more effective cooperation between the Centre and other entities within and outside the United Nations system. Until now such coordination and cooperation has primarily focused on specific issues; within the context of designated projects, many of which were limited in time, space and scope. The hallmarks of such a reinforced coordination function would be a continuous policy dialogue with others whose sectoral development activities impact on human settlements; the building of consensus on common approaches to critical issues; the formulation of multi-agency and multi-sector long-term support programmes; and a key role for UNCHS (Habitat) in implementing these at the local level.

(e) Mobilization of finance, primarily from third-party sources, for settlements development. This would also make the policy adversary function of UNCHS (Habitat) not only more credible but would also give it greater clout and desirability. UNCHS (Habitat) should focus on "financial intermediation" between national and local partners, on the one hand, and private and multilateral and bilateral sources of project and programme finance, on the other, building on its past experience of leveraging seed money for human settlements projects into substantial funding.

(f) A Multidisciplinary and thematic approach to research and development, focusing on the continuous monitoring and analysis of critical settlements trends and issues, and of policies and programmes of governments and the international community to respond to urbanization and their impact. This should ultimately lead to the identification and global exchange of best practices in human settlements management and development. One goal of future research activities should be to allow UNCHS (Habitat) to become a "global urban observatory" and a centre of knowledge on socio-economic and environmental trends and issues as they affect and, are affected by, human settlements development. Another goal of research must be to provide direct support for the Centre's operational and information activities.

(g) Identification and diffusion of knowledge and application of new and promising technologies. The pattern and pace of settlements development and urban growth is particularly influenced by new developments in the fields of technology, including the impact of the informatics and communications revolution, as well as new innovation in energy use, transport technology, building-materials use and environmental infrastructure, among others. The Centre should focus on monitoring these developments, leading to the Centre functioning as a clearing house for the exchange of new and promising human settlements technologies, especially of those which can lower the cost of future infrastructure outlays, make basic services more affordable for lower-income groups, and which minimize detrimental environmental impacts.

27. The functions just proposed: policy advice; awareness-building; financial intermediation; monitoring and analysis of trends and emerging issues; identification and diffusion of new technologies; coordination; and operational activities focusing on capacity-building, *in toto*, should constitute the menu of major instruments and operational support services most appropriate for assisting countries in shaping integrated and comprehensive settlements development policies and programmes over the coming decades, independent of the substantive content of the Centre's future work programme. They would place the Centre in an ideal position to intervene effectively at all three key levels: global, national and local. They would also provide the most cost-effective means by which to employ the resources of the Centre to achieve its principal future objectives, which will be to assist the international community, national governments and local authorities to elaborate and implement policy and programme responses to urbanization processes and concomitant rising shelter needs as they affect all categories of settlements in both rural and urban areas, so as to ensure sustainable social, economic and human development at the local level.

### D. *Substantive priorities*

28. One indication of the kind of substantive programme of work which is required to support the future objectives as described is already provided by the Centre's draft work programme for the biennium 1996-1997, which is before the Commission as document HS/C/15/7. The substantive orientation of this draft work programme has already incorporated those issues which the Preparatory Committee for the Habitat II Conference has identified as of particular relevance to the Global Plan of Action and which, because of their cross-sectoral nature, make them central elements of an integrated policy approach to human settlements development. The ultimate configuration of the Centre's work programme, as well as of the Centre's future functions, will however, depend on the Global Plan of Action which will be approved by the international community at the City Summit in 1996.

#### 1. *Integrating other plans of action at the local level*

29. Beyond this, the new Agenda for Development and Agenda 21, as well as the global plans and programmes of action, already adopted or to be adopted, by the United Nations-sponsored global conferences which have followed UNCED, all have implications for human settlements management and development at the local level. In fact, it is a specific charge of the Habitat II Conference to integrate recommendations of these past Conferences which influence - and are influenced by - human settlements development, into its Plan of Action, so that these objectives can also be realized at the local level. This would appear to give the Habitat II Conference a specific responsibility to elaborate an integrated settlements development framework and the means and tools to implement it. The importance of success of local level implementation to the outcome of other global programmes and plans of action has already specifically been recognized by the Commission on Sustainable Development in the case of Agenda 21, and this is why that Commission has explicitly indicated that the Global Plan of Action of Habitat II, and its implementation, will be critical to the implementation of Agenda 21, since many of its programmes, and not just chapters 7 and 21, depend on successful implementation at the local-settlements level.

#### 2. *Disaster mitigation, reconstruction and development: a necessary new priority*

30. As for the one new subprogramme in the 1996-97 work programme, Managing disaster mitigation, reconstruction and development, it makes explicit what UNCHS (Habitat) has been doing on a project-by-project basis at the request of national governments over the past two decades. It requires an integrated and settlements-wide approach, combining physical planning, infrastructure development, construction activities, and the building of management capacity. No other agency or organization at present has the in-house technical capacity and operational experience to carry out these functions successfully and on short notice. It also serves to complement and give further credence to the assertion that the Centre is the best agency to coordinate an integrated policy and programme response to urbanization in general.

### E. *Strengthening existing institutional arrangements*

#### 1. *Broadening the scope of sectoral representation in the Commission*

31. In light of the new proposed focus, objectives and priorities of the Centre, some careful consideration has also to be given a to how to strengthen the role of the Commission on Human Settlements so that it can effectively carry out its work at the international level and within the United Nations system, in line with new responsibilities which may emerge as a consequence of the City Summit. If, as in this report, a priority objective in the Centre's work in assisting national governments becomes policy advice and integrated multi-sectoral responses to urbanization, this would have to be complimented by a broadening of the policy-formulation and policy-advisory functions of the Commission at the international level. In order for those functions to have the maximum impact, and given both the complexity of future

settlements development work and the centrality of settlements-centred activities in the future to national and international development efforts, the Commission may wish to consider opening its deliberative process to representatives of a wider spectrum of sectoral ministries (notably Ministries in charge of local authorities), encompassing a range of actors, both at the national and local levels, whose work and responsibilities are of most direct impact on human settlements development, including those responsible for economic development and finance. This would, in any case, only involve a formal recognition of a process which is already taking place in the case of individual delegations to the Commission. This would also give greater authority and weight to the Commission's policy role, and largely mute considerations regarding the creation of a new intergovernmental body to oversee the human settlements programme of the international community in the post-Habitat II period.

### 2. *Strengthening the Centre's internal structure*

32. As for strengthening the organizational structure of the Centre, it stands to reason that new objectives also will require modifications in the organizational structure to ensure efficient and effective integration of the functions described in paragraph 26 of this report, including a strong internal evaluation mechanism within the Centre to ensure that work is up to the highest standard and complementary in terms of goals and outlook.

### 3. *Proximity to partners in operational support*

33. As for operational support, which will be central to the implementation of the Centre's objectives in the decades ahead, even more so than in the past, by providing the principal link with national and local partners, one has to assess how best, and through what means, to provide operational support services to those partners in future. This issue, and possible options, are discussed in the report on "Strengthening of regional activities", submitted to the Commission as document HS/C/15/2/Add.3.

## F. *A renewed funding base*

34. Any discussion on the new role, objectives and place of an organization inevitably leads to a review of its financial implications. This is also true in the case of UNCHS (Habitat). Certainly the Centre's future work must have a sound financial base. This is not only in the direct institutional interest of the Centre, but also in the interest of Member States, which will increasingly have to avail themselves of the Centre's services as they come to grip with pressing settlements development and housing problems. Most assistance that they will require will have to be delivered in the form of UNCHS (Habitat) operational support.

### 1. *A new partnership with the United Nations Development Programme*

35. In the past, the United Nations Development Programme was the main source of funding for the Centre's operational activities, but this contribution is declining, in part due to diminishing voluntary contributions to UNDP, but also as a consequence of the Programme approach adopted by UNDP, which favours large cross-sectoral thematic programmes over sectoral programmes, such as human settlements as presently understood by UNDP. In view of this, one possibility to explore would be to work to convince UNDP of the cross-sectoral nature of human settlements work, as pointed out earlier in this report. The wisdom of having human settlements development included as one of its key cross-sectoral priority areas should be impressed upon UNDP, especially in light of the looming urban development challenge. Likewise, UNDP should be made aware of the desirability of having UNCHS assist UNDP play its co-ordinating role at the country level, with the Centre becoming UNDP's principal implementing agency for local development. Here it could also be pointed out that the complexity of the urban development process in particular, and the relatively limited experience of many developing countries in dealing with urban issues, which have only arisen over the past two decades or less, require expertise and knowledge which can only be provided by an agency with specialized expertise such as the Centre. The efficacy of such an approach is already demonstrated by the Centre's Urban Management Programme, in which UNDP is a major partner.

### 2. *Increase in regular budget resources*

36. In addition, UNCHS (Habitat)'s development-oriented functions, which as a consequence of the recommendations contained in this report would, perforce, have to be enhanced and strengthened, should in future benefit from an increase in the flow of regular budget resources to the Centre. These would be designated to support new and vital functions of the Centre and provide a small, but stable and predictable, base around which new extra-budgetary resources could be mobilized for these functions. Given the overall budgetary constraints of the United Nations, such a request may appear illusionary. However, on careful consideration, and given the expected prominence of settlements development matters in

future, it must be considered justified, especially if kept within reasonable limits. It would be in line with the intention of the General Assembly and the Secretary-General, as referred to earlier in this report, to strengthen the capabilities of the Centre to carry out its human settlements development activities for the benefit of Member States.

*3. Enhancing contributions to the United Nations Habitat and Human Settlements Foundation*

37. A request for a small, but necessary increase in regular budget resources to enhance those development-oriented functions of UNCHS (Habitat) of most immediate and direct benefit to Member States, must be combined with a strategy to bring about a significant increase in the voluntary contributions to the UNCHS (Habitat) and Human Settlements Foundation. One way to proceed in order to increase the flow of voluntary contributions would be to consider expanding the role of the Foundation and to open it to contributions from local governments, private foundations, and other potential donors.

*5. A "local" window for the GEF*

38. A further means of increasing the flow of financial resources for local development would be through the establishment of a "Local Environment Facility" as a fifth window of the Global Environment Facility (GEF), the principal designated source of funding for the implementation of Agenda 21. It would provide an additional means by which national and local governments could access seed money for environmental infrastructure outlays, the demand for which in many countries is overwhelming. The Centre, would by virtue of its mandate, have to be considered as the logical manager of such a "Local Environmental Facility". This by itself could greatly enhance the role of the Centre, and facilitate the successful implementation of its responsibilities, new and old, at the global, national and local levels.

*5. Accessing private capital for local development*

39. Finally, some careful thought has to be given on the forms and modalities the future proposed "financial intermediation" role of UNCHS (Habitat) will assume, not just *vis-à-vis* established global and regional multilateral lenders and development funds, as well as other bilateral funding institutions, but especially *vis-à-vis* the private sector, particularly global and regional financial markets, and especially for infrastructure financing. This could develop not only into an important new institutional function for the Centre, but also a significant source of income through the charging of, for example, fees for advisory services.

## G. Building new partnerships

40. The understanding which informs the arguments put forth in this report, implicitly or explicitly, is that the new role, objectives and place in the United Nations system being contemplated for the Centre must be underpinned and reinforced by a web of partnerships both within and without the United Nations and which takes into account emerging new actors in the development arena, especially at the local level. Such partnerships should aim to strengthen cooperation, avoid duplication of resources, build consensus, and enhance the role of the Centre as a catalyst for action, at all levels, aimed at sustainable human settlements development.

*1. Strategic alliances and system-wide joint programming*

41. An increased focus on partnership in advancing human settlements development goals would also have to include, of necessity, a greater focus on building mechanisms for inter-agency collaboration in the work of the Centre, and here it could easily build on the accumulated experience of partnership with a great number of United Nations agencies, programmes and organizations in specific projects and programmes over the past decade. UNCHS (Habitat)'s principal role would be to catalyse strategic alliances and joint work on key issues. A step in that direction has already been taken through the establishment of the inter-agency Forum for Sustainable Urban Development, for which the Centre is providing the *ad-hoc* secretariat.

*2. Cooperation with local authorities and their organizations*

42. . Another vital new partnership, which will be essential for the Centre's new role in assisting countries to manage the urban transition, needs to be developed with local authorities and their associations, both national and international. Mechanisms must therefore be established to elicit greater partnership and the fullest possible participation of local authorities and their associations in the work of the Centre and the Commission similar to the level of involvement already achieved in the case of NGOs and their associations.

### 3. *A global network of research support*

43. Finally, an intensified multi-sectoral policy and support function for UNCHS (Habitat) covering the entire scope of urban centres, from mega-cities down to market towns and rural service centres, and addressing their respective development needs, will only be credible if it has a reputation as a centre of excellence, of recognized knowledge and experience in all aspects of human settlements development and management. This will require the Centre to build up and expand its linkages with academic institutions and development research organizations. The aim of such an exercise would be to build a global network of research on human settlements development which could serve to support the new objectives and functions of the Centre in the post-Habitat II period and give them greater credibility and clout.

*Annex*

# SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION: UNITED NATIONS CONFERENCE ON HUMAN SETTLEMENTS (HABITAT II)

*Report of the Secretary-General on the implementation of General Assembly resolution 48/176 of 21 December 1993*
(A/49/640)

1. In its resolution 48/176 of 21 December 1993 entitled "Human settlements", the General Assembly requested the Secretary-General:

(a) To ensure that the United Nations Environment Programme and the United Nations Centre for Human Settlements (Habitat) are kept under distinct and separate management and direction, in accordance with their specific mandates and activities;

(b) To give full consideration to the views expressed by Member States regarding the leadership of the Centre;

(c) To ensure that, in the restructuring of the United Nations system, the Centre is maintained as the global focal point for human settlements and that its institutional capabilities are strengthened at its headquarters, maximizing the effectiveness of national and regional operations.

2. The Secretary-General was also invited to report to the General Assembly at its forty-ninth session on the implementation of the resolution, as well as on the progress made in preparations for the second United Nations Conference on Human Settlements (Habitat II).

3. The report is submitted pursuant to the above requests.

4. The Secretary-General has taken careful note of the views expressed by Member States on the matter. In particular, the Secretary-General fully shares the views of Member States concerning the important role of the United Nations Centre for Human Settlements (Habitat) in fostering the international community's development agenda in the area of human settlements. In this regard, he shares the concern to maintain, and indeed strengthen, the activities and institutional identity of the Centre, in order, *inter alia*, to ensure adequate implementation of the Global Strategy for Shelter to the Year 2000 and related initiatives designed to arrest the deteriorating human settlements conditions in a great many parts of the world, and to ensure effective Secretariat support to the ongoing preparations for the second United Nations Conference on Human Settlements (Habitat II), convened for June 1996 in Istanbul, Turkey.

5. It is with the foregoing in mind, and consistent with the objectives sought by Member States, that the Secretary-General has taken a number of significant steps since the last session of the General Assembly to strengthen the Centre's management and leadership structure, as well as to preserve its institutional identity. Following the adoption by the General Assembly of resolution 48/176, the Secretary-General appointed, with effect from 15 February 1994, an Assistant Secretary-General who serves as the senior manager of Habitat and Secretary-General of the United Nations Conference on Human Settlements. The objective of this appointment was to ensure effective management and leadership of the Centre as a distinct Programme, and to provide the necessary leadership for the preparatory work of the Conference. It will be recalled, in this connection, that the General Assembly, in its resolution 47/180 of 22 December 1992, called on the Centre to serve as substantive secretariat of the Conference.

6. During the period under consideration, the Centre has delivered a substantial work programme, including an important contribution to the implementation of chapter 7 (Sustainable human settlement development) of Agenda 21[1] (with respect to which UNCHS (Habitat) has been designated task manager), and the servicing of two sessions of the Preparatory Committee for the United Nations Conference on Human Settlements (Habitat II), and has continued to execute successfully its substantive mandate relative to technical cooperation.

7. With respect to the preparations for the Conference, attention is drawn to the separate report of the Secretary-General on the subject (A/49/272). As noted in that report, preparatory activities for the Conference are proceeding satisfactorily at both the intergovernmental and national levels, as well as within the secretariat.

8. At the intergovernmental level, a meeting of the Preparatory Committee took place at Geneva from 11 to 22 April 1994, at which the Committee began the preparatory process for the Conference, and identified, for preliminary

exploration, the major issues expected to be addressed by it. The session, at the opening of which the Secretary-General delivered the keynote address, was well attended, not only by Government delegations but also by a wide cross-section of United Nations Programmes, agencies and organizations, other intergovernmental organizations, representatives of local governments, and non-governmental and private sector participants. The Preparatory Committee made notable progress in its substantive work, adopting a clear set of operational objectives for the Conference as well as a framework for preparatory activities to be undertaken at the local, national and international levels until 1996.

9. Substantial preparatory work has also been initiated at the secretariat level. Following the first substantive session of the Preparatory Committee, contacts were initiated with United Nations agencies, other intergovernmental organizations, professional associations, non-governmental organizations and the private sector, to prepare a programmatic diagram for all activities in preparation for the Conference. The diagram is accompanied by a series of briefs which provide a summary description of objectives, outputs, activities and required funding for the activities leading up to and to be undertaken during the Conference.

10. This secretariat "blueprint" for the Conference and its preparatory activities contains three important elements:

(a) Core activities to be undertaken by the secretariat, including:

(i) Direct support to in-country preparation in a number of areas;
(ii) Development of substantive position papers on key Conference issues identified by the Preparatory Committee;
(iii) Preparation of substantive documentation for the preparatory process, including the draft Principles and Commitments and the Global Plan of Action to be adopted at the Conference;

(b) Partnership activities to be undertaken by other United Nations Agencies, intergovernmental organizations and international associations on issues and themes related to the Conference. The aim here is to enrich the preparatory process with the experiences gained and lessons learnt from ongoing activities involving the international community at large;

(c) Special programmes and awareness-building activities, to be sponsored or cosponsored by public and private sector foundations and professional associations. These are intended to mobilize specific audiences through, *inter-alia*, competitions and awards for best photographs, videos, press and media reporting on the cross-cutting issues and themes of the Conference, best urban designs and "best practices" in urban management.

11. Reports received by the secretariat also indicate progress in national preparations for the Conference. In accordance with the decisions of the Preparatory Committee, progress reports from national committees for the Conference are due by December 1994. Already, however, a large number of countries, both developed and developing, have communicated to the secretariat the start-up of their preparations for Habitat II. Complementing these national preparatory activities, a number of briefing missions to countries have been undertaken by the secretariat to stimulate, encourage and give advice on such preparations.

12. A significant development that also deserves notice in this context are the preparatory activities under way in Turkey, the host country of the Conference. These preparatory activities were launched at a major national event in July presided over by the President of the Republic of Turkey and attended by both the Chairman of the Preparatory Committee and the Secretary-General of the Conference.

13. The foregoing review confirms that substantial progress has been made in the implementation of General Assembly resolution 48/176 and, in particular, that UNCHS (Habitat) continues to pursue actively and successfully its mandated activities, including the preparations for the Habitat II Conference.

14. In his report on the restructuring of the United Nations Secretariat in the economic and social sectors (A/49/336, paras. 164-170), the Secretary-General outlined the potential gain in efficiency and synergy that could be achieved through measures aimed at enhancing coherence in the management of the United Nations Environment Programme (UNEP) and the United Nations Centre for Human Settlements (Habitat), while respecting fully the institutional and operational identity of these distinct Programmes. It is in this context that, in addition to strengthening substantive collaboration, proposals are being drawn up for the establishment of a common administrative and support service for the United Nations entities at Nairobi. Such a common service, which will be the subject of a separate submission to the General Assembly, would seek to strengthen the capacity of both UNEP and Habitat in the delivery of their mandated programmes of activities, while preserving fully their institutional and operational identities. The new common administrative and support services area will result in the elimination of duplication and unnecessary fragmentation, particularly in areas such as staff services,

conference services, finance, and other general support services, including contracts and procurement, travel, library and information facilities. The Secretary-General strongly believes that the establishment of such a unified administrative and support structure would not only enhance programme delivery at both UNEP and Habitat but would also greatly strengthen the United Nations presence in Kenya, and Africa as a whole.

*Note*

[1] *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992* (A/CONF.151/26/Rev.1 and (Vol.I and Vol.I/Corr.1, Vol.II, Vol.III and Vol.III/Corr.1)) (United Nations publication, Sales No. E.93.I.8 and corrigenda), vol. I: *Resolutions adopted by the Conference*, resolution 1, annex II.